

# **EXHIBIT V**

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There's nothing `average' about AWP

There are people both in - and worse yet outside - the pharmacy profession who will have you believe that third-party reimbursements based on AWP are "earned discounts."

At the risk of being called a heretic one more time, I repeat: AWP and "earned discounts" are not synonymous and never were. Those who think they're the same are beating a dead horse.

Unfortunately, AWP has become an exploited figure that is often picked out of thin air by pharmaceutical manufacturers who know that as long as third-party programs continue to use AWP as a base for reimbursement, the higher the number the better their chances are of getting their product dispensed. But there's nothing average about AWP. How stupid do you think third-party payors are? What do you think brought on the current trend of discounting of AWP's and discriminatory pricing?

There is no question that retail pharmacists are getting the short end of the stick when it comes to third-party reimbursements. But insisting that pharmacists deserve the difference in unrealistically high AWP's and what is actually paid for the drug is ludicrous.

The AWP of today is not the same AWP of 25 years ago. Would you even think of marking up prescription medications for cash-paying customers today based on some of the ridiculously high AWP's being published? You'd be out of business in a minute if you did. There is no way that those consumers who do not get their prescriptions filled on a third-party program would pay those kinds of prices.

For argument's sake though, let's say that the difference in AWP and actual acquisition cost really is an "earned discount." Earned for what? For providing the services you always provided? If you think so, think about this for a moment before you start to write me nasty letters.

There's nothing 'average' about AWP.; average wholesale price; column Drug Store News June 11, 1990

A recent survey conducted by Gallup for NACDS revealed some interesting data. Besides the fact that pharmacists were picked as the number one professional by consumers, those same consumers said that one of the basic reasons they even seek the pharmacist for advice is because they feel that the pharmacy is the best value for their health care dollar.

According to the survey, nearly two-thirds (62 percent) of the consumers polled by telephone said that they regarded pharmacies as an excellent value for the cost, more so than doctors, hospitals, and nursing homes.

I know that there are many pharmacists who think they should charge the consumer for their consultation time. I just wonder what would happen to consumers' attitudes about pharmacy if suddenly they were being charged for the pharmacist's time.

After reviewing the survey, I have serious concerns about retail pharmacists who insist on getting paid for services that the consumer has expected from them in the past.

I say leave AWP alone and go after the thing that means the most when it comes to third-party reimbursement, your professional fee. Now, thanks to NACDS and Gallup, you have the ammunition needed to effect a change. Go for it.

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